

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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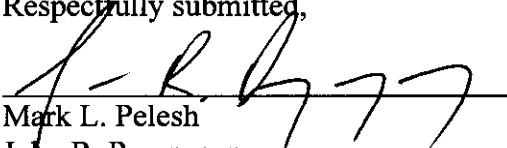
POSTAL RATE AND FEE CHANGES, 2000)

Docket No. R2000-1

**FIRST SET OF INTERROGATORIES OF
ASSOCIATION OF AMERICAN PUBLISHERS
TO USPS WITNESS MEEHAN AAP/USPS-T11-1-5**

Pursuant to Section 25 and 26 of the Commission's Rules of Practice and Procedure, the Association of American Publishers (AAP), hereby submits the following interrogatories and request for production of documents to USPS witness Meehan (USPS-T-11). AAP incorporates by reference the instructions in OCA interrogatories OCA/USPS-1-14 (filed January 24, 2000). If the designated witness is unable to respond to any interrogatory, or any part therein, we request a response by some other qualified witness.

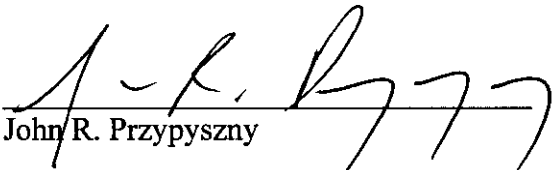
Respectfully submitted,


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CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document, by First-Class Mail, upon the participants in this proceeding.


John R. Przepyszny

Date: March 7, 2000

**FIRST SET OF INTERROGATORIES OF
ASSOCIATION OF AMERICAN PUBLISHERS
TO UNITED STATES POSTAL SERVICE WITNESS MEEHAN**

AAP/USPS-T11-1 Page 1 to Exhibit USPS-11A of your testimony identifies C/S-3 Clerks and Mailhandlers costs (C/S-3 costs) for Bound Printed Matter (BPM) during Base Year 1998 in the amount of 134,482,000. In contrast, Appendix J of the PRC Opinion in Docket R97-1 estimates C/S-3 test year after rate costs (FY 1998) for BPM as 113,293,000. With respect to this comparison:

- (a) Please confirm that the proposed Base Year cost allocation of C/S-3 costs exceeds the PRC's estimate in R97-1 by 18.1%.
- (b) Please identify the factors, in order of importance, which contributed to the increase in base year 1998 C/S-3 costs allocated to BPM.

AAP/USPS-T11-2 Page 27 to Exhibit USPS-11A of your testimony identifies C/S-7 City Delivery Carriers costs (C/S-7 costs) for BPM during Base Year 1998 in the amount of 57,550,000. In contrast, Appendix J of the PRC Opinion in Docket R97-1 estimates C/S-7 test year after rate costs (FY 1998) for BPM as 49,783,000. With respect to this comparison:

- (a) Please confirm that the proposed Base Year cost allocation of C/S-7 costs exceeds the PRC's estimate in R97-1 by 15.6%.
- (b) Please identify the factors, in order of importance, which contributed to the difference between the PRC estimate and the actual base year 1998 C/S-7 costs allocated to BPM.

AAP/USPS-T11-3 Exhibit USPS-11A to your testimony at page 27 identifies C/S-7.3 City Delivery Carriers Elemental Load Street costs (C/S-7.3 costs) for BPM during Base Year 1998 in the amount of 22,082,000. In contrast, Appendix J of the PRC Opinion in Docket R97-1 estimates C/S-7.3 costs for BPM as 17,110,000. With respect to this comparison:

- (a) Please confirm that the proposed Base Year cost allocation of C/S-7 costs exceeds the PRC's estimate in R97-1 by 29%.
- (b) Please identify the factors, in order of importance, which contributed to the difference between the PRC estimate and actual 1998 C/S-7.3 costs allocated to BPM.

AAP/USPS-T11-4 Page 22 to Exhibit USPS-11A of your testimony identifies total C/S-3 costs during the base year as 17,646,123,000. With respect to this figure:

(a) Please confirm that this figure corresponds to the total C/S-3 costs that appear on page 25 of USPS-T-17 at Table 1, part 2 of 2 (Testimony of Postal Service Witness Van-Ty-Smith).

(b) Please confirm that the C/S-3 costs identified on page 22 of Exhibit USPS-11A as “other” costs are the same costs as those that result by summing the “pool volume variable” costs that are shown in Table 1 of USPS-T-17 and subtracting those pool volume variable costs from “pool total” costs on the same table. If this relationship cannot be confirmed, please explain fully what is meant by “other” costs on page 22 of Exhibit USPS-11A.

(c) Please explain how each of the C/S-3 cost pools listed in Table 1 of USPS-T-17 correspond to the components of C/S-3 cost segments (such as Mail Processing (3.1), Window Service (3.2) and Administrative Clerks (3.3)) that appear on pages 19-22 of Exhibit USPS-11A. As part of your response, please indicate where each of the C/S-3 cost pools listed in Table 1 of USPS-T-17 is found within the C/S-3 cost segments that appear in Exhibit USPS-11A.

AAP/USPS-T11-5 On page 8 (lines 20-22) and page 9 (lines 1-2) of your testimony, you state that ongoing statistical sampling systems collect data and produce estimates that underlie the costs presented in Exhibit USPS-11A. You also list four cost systems (IOCS, TRACS, CCS and RCS) that are described by three other Postal witnesses (Ramage (USPS-T-2), Xie (USPS-T-1) and Harahush (USPS-T-3)). With respect to each of these four cost systems:

(a) Please explain, in precise terms, how the output of the cost system was used in the development of the costs presented in Exhibit USPS-11A.

(b) Please list any and all changes in the procedures and methods used to calculate costs identified in Exhibit USPS-11A that were made in order to accommodate the output that was produced by any of the four cost studies. Please describe, in detail, the most significant of those changes.